

REEVALUATION OF FINDING OF NO SIGNIFICANT IMPACT (FONSI)

SECTION 31 FEE SALE – YELLOW CREEK INDUSTRIAL PARK PICKWICK RESERVOIR – TISHOMINGO COUNTY, MISSISSIPPI TVA TRACT XYECR-17

Proposed Action and Need

Tennessee Valley Authority (TVA) has received a request from the Tishomingo County, Mississippi Board of Supervisors to buy TVA's residual fee title ownership of Tract XYECR-17 in the Yellow Creek Industrial Park. This would enhance the financial and legal security of loans previously made to enable an industry to locate on the tract. It would also continue TVA's support to the Yellow Creek Port Partnership to foster economic growth within the region.

TVA proposes to sell the fee at public auction to the highest qualified bidder subject to the existing industrial easement over the tract.

Background

In 1974 TVA sold an industrial easement to the state of Mississippi to help create the Yellow Creek Port and Industrial Park. TVA retained the underlying fee title. Since that time a number of industries have located in the industrial park. One of these industries is Roll Form Group, Inc. Roll Form, which located on Tract XYECR-17 of the industrial park in 2006, is a Canadian company which fabricates steel for construction and to make rail cars. During the process of Roll Form's site selection Tishomingo County obtained the industrial easement from the state of Mississippi for Tract XYECR-17. TVA continues to own the underlying fee title. Figure 1 is a map showing the location of the port and industrial park, as well as Tract XYECR-17.

In cooperation with local and state efforts to recruit Roll Form, a Community Development Block Grant (CDBG) for site preparation was provided to Tishomingo County by the U.S. Department of Housing and Urban Development (HUD). As permitted by HUD regulations, the Northeast Mississippi Planning and Development District prepared an Environmental Assessment (EA) for the CDBG to assess the environmental impacts of Roll Form's construction and operation. The Tishomingo County Board of Supervisors issued a Finding of No Significant Impact (FONSI) on December 9, 2005. After the provision of the CDBG, TVA administered an Appalachian Regional Commission (ARC) grant and provided additional financial assistance for site preparation and utilities. TVA conducted an independent environmental review of the project and adopted the CDBG EA as part of this review. On March 23, 2006, TVA completed a FONSI on its proposed action to administer the ARC grant and provide the financial assistance. A copy of the TVA FONSI is attached.

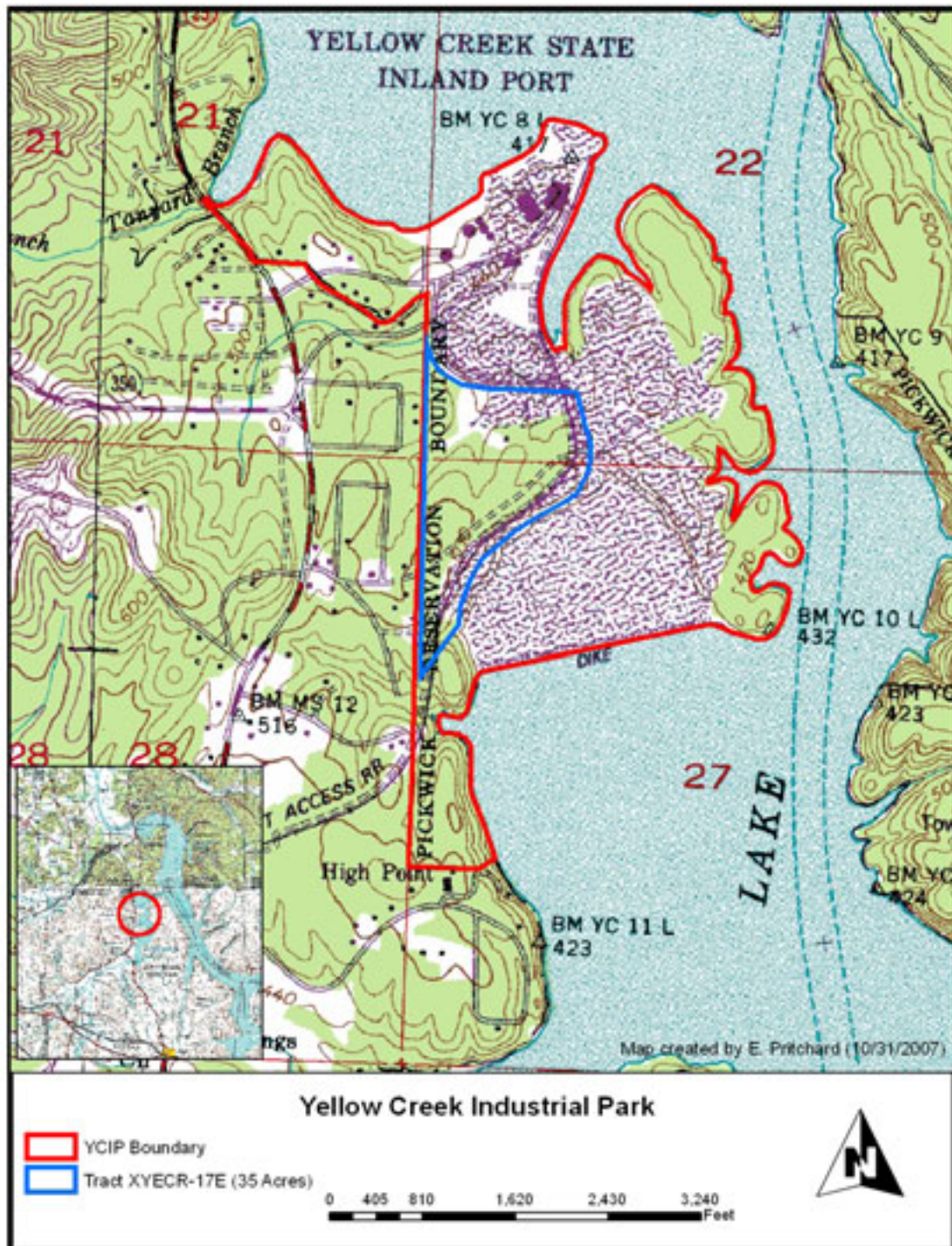


Figure 1—Tract XYECR-17

Affected Environment and Impacts Assessment

TVA has reevaluated its March 23, 2006 FONSI to determine the potential for additional impacts from the fee sale of the underlying Tract XYECR-17. Three potential issues were identified. These included nine acres in Tract XYECR-17 that did not appear to be assessed as part of the initial site review, possible additional site disturbance or changes in the use of the property due to the sale, and the need to consult with the Mississippi State Historic Preservation Officer and Indian Tribes about potential impacts to historic and archaeological resources.

The 2006 TVA FONSI stated that the Roll Form site was 26 acres in size, as compared to the 35-acre size of the tract proposed for sale. This discrepancy resulted from the use of an erroneous tract size in the 2006 TVA FONSI. The correct size of the tract is 35 acres and all of this area was evaluated in the 2005 CDBG EA and associated 2006 TVA FONSI. Therefore, no additional land area is involved in the current proposed sale.

As anticipated in the 2006 TVA FONSI, almost the entire tract has been prepared as the site for Roll Form's operations, including its manufacturing building (with room for expansion), material storage, parking, and access. The TVA FONSI noted that the Roll Form operation would be consistent with the industrial park. Also, the currently proposed sale is not intended to facilitate any change in the use of the property and is subject to the terms and conditions of the industrial easement. Therefore, no additional site disturbance or change in the use of the property would result from the proposed sale.

In the 2006 TVA FONSI, TVA concluded that its grant administration and financial assistance, as well as the subsequent construction and operation of the Roll Form facility, would not affect historic properties. TVA has also determined that the currently proposed sale would not affect historic properties. Because the currently proposed sale would be a separate TVA undertaking from the previous grant administration and financial assistance, TVA consulted the Mississippi State Historic Preservation Officer and Indian Tribes with interests in the area to obtain any their comments about impacts on historic and archaeological resources. The following tribes were consulted:

The United Keetoowah Band of Cherokee Indians in Oklahoma;

Cherokee Nation;

Eastern Band of Cherokee Indians

Muscogee (Creek) Nation of Oklahoma

Alabama-Coushatta Tribe of Texas

Alabama-Quassarte Tribal Town

Kialegee Tribal Town

Thlopthlocco Tribal Town

Shawnee Tribe

Absentee-Shawnee Tribe of Oklahoma

Eastern Shawnee Tribe of Oklahoma

Chickasaw Nation

Choctaw Nation of Oklahoma

Jena Band of Choctaw Indians

Mississippi Band of Choctaw Indians

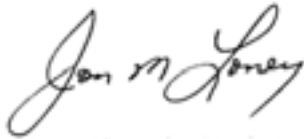
Seminole Nation of Oklahoma

Seminole Tribe of Florida.

Copies of the tribal comments and SHPO concurrence are attached. The United Keetowah Band stated that the location was outside their area of interest. The Seminole Tribe and the SHPO concurred with TVA's determination that there would be no effects to historical properties.

Conclusion and Findings

Based on the above analysis of potential effects, we conclude that sale of the fee title underlying Tract XYECR-17 will not have an impact on the quality of the environment beyond what has already occurred or is already considered. The 2006 FONSI is still valid. Accordingly, an environmental impact statement is not required.



November 2, 2007

Jon M. Loney
Senior Manager, NEPA Policy
Environmental Stewardship and Policy
Tennessee Valley Authority

Date Signed

**FINDING OF NO SIGNIFICANT IMPACT
TENNESSEE VALLEY AUTHORITY
ROLL FORM STEEL**

**Provision of Financial Assistance and
Administration of Appalachian Regional Commission Grant
for Site Development**

Tishomingo County, Mississippi

The Proposed Actions and Required Reviews

The Yellow Creek Port Authority intends to provide a 26 acre site in its industrial park located at Yellow Creek Port near luka for the location of a new industrial facility. The facility would be built and occupied by Roll Form Group, Inc, a company which would fabricate steel for construction and to make rail cars. The plant would employ about 80 jobs at an above average skill and wage level.

To assist with the establishment of the new facility, TVA proposes to administer an already-approved Appalachian Regional Commission (ARC) grant and provide additional financial assistance. The ARC grant would be \$300,000 and would be used for site excavation and drainage and potable water lines. The financial assistance would be used for excavation and drainage, a parking lot, and a roadway into the site. There would be other federal involvement in the form of a U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) of \$500,000. This grant would also be used for site excavation and drainage. The federal funds would supplement state and local funds and investment by the company for an estimated total cost of approximately \$26,700,000. The federal share of the project cost would be slightly more than 5%.

As permitted by HUD regulations, the Northeast Mississippi Planning and Development District (NEMPDD) prepared an Environmental Assessment (EA) for the CDBG, and the Tishomingo County Board of Supervisors issued a Finding of No Significant Impact (FONSI) on December 9, 2005. A copy of the EA and FONSI is attached. Based on its independent review, TVA is adopting the CDBG EA as its review of the impacts of administering the ARC grant and providing the financial assistance.

Impact Assessment

As discussed in the CDBG EA and the engineering report for the project, there would be beneficial impacts to the economy of the area, and all other impacts are expected to be minimal. Grading could allow erosion of sediment which would pollute storm water, but use of routine best management practices would adequately minimize any impact to water quality. Grading and construction equipment would cause minor air quality impacts from fugitive dust and engine emissions. There would be no coating

operations or other manufacturing processes creating air pollutant emissions. Based on the scale of the industrial park and new site being created, impacts from construction and industrial traffic and noise are expected to be minor. The site has been intended for industrial use since before 1971, when TVA prepared an Environmental Statement on the Yellow Creek Port Project, so the new site would be consistent with existing and planned land uses. No jurisdictional wetlands would be affected. There would be no process wastewater, and employee sanitary sewage would be treated by a permitted on-site septic system.

There would be no effect on federally-listed endangered or threatened species. In response to concerns of the U.S. Fish and Wildlife Service (FWS) about possible impacts on nesting bald eagles, TVA inspected the project area in February of 2006, confirmed that no bald eagles or eagle nests were present. Based on archaeological reconnaissance of the site in 1971 and 1983, and an abbreviated survey in 2006, TVA determined that there would be no potential for the proposed facility to affect cultural resources eligible for the National Register of Historic Places.

TVA review of the Flood Insurance Rate Map (FIRM) for the area showed that the site is outside the 500-year floodplain, and TVA has determined that the project would not directly or indirectly support floodplain development. Therefore, TVA support for the project would be consistent with Executive Order 11988 (Floodplain Management).

Mitigation

Based on the analysis in the EA and TVA's review, no mitigation measures would be needed.

Public and Intergovernmental Review

In preparing the CDBG EA, The NEMPDD requested comments from local, state, and other Federal agencies. The FWS expressed concern about the possible impacts on bald eagles, and the State Historic Preservation Officer requested a cultural resources survey, leading to the 2006 survey noted above. No other concerns were raised.

On November 24, 2005, the County published in the Tishomingo County News a combined notice of a finding of no significant impact and notice to public of request for release of funds. There were no comments from the public in response to the notice.

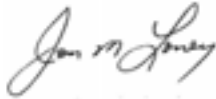
Cumulative Impacts

Based on the limited impacts expected from the project, TVA has determined that any cumulative impacts would be insignificant.

Conclusion and Findings

TVA has independently reviewed the CDBG EA and confirmed its findings. Based upon review of the CDBG EA, the engineering report for the project, cultural resource surveys of the site, and the FIRM of the area, as well as a staff site visit, TVA concludes that providing financial assistance and administering the ARC grant to assist site development for Roll Form would not be major federal actions significantly

affecting the quality of the environment. Accordingly, an environmental impact statement is not required.



March 23, 2006

Jon M. Loney, Manager
NEPA Policy
Environmental Stewardship and Policy
Tennessee Valley Authority

Date Signed



**United Keetoowah Band
Of Cherokee Indians in Oklahoma**

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August 21, 2007

Pat Bernard Ezzell
Tennessee Valley Authority
400 West Summit
Noxville, TN 37902-1499

Dear Pat:

This letter is in regards to the following two projects:

Yellow Creek Port, Pickwick Reservoir, Tishomingo County

Tennessee River Golf Course, Decatur County

Neither one of these sites are in our official historic interest are (outside of land cessions).

Thank you for contacting us regarding these projects.

Best Regards,

Ms. Lisa C. Stopp
Acting Tribal Historic Preservation Officer

SEMINOLE TRIBE OF FLORIDA

◊ TRIBAL HISTORIC PRESERVATION OFFICE ◊

Tribal Historic
Preservation Office

TINA M. OSCEOLA
Executive Director

WILLARD S. STEELE
Tribal Historic Preservation
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BENJAMIN G. BURY
Tribal Archaeologist



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Secretary

MICHAEL D. TIGER
Treasurer

21 August 2007

Pat Bernard Ezzell
Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, TN 37902-1499

Subject Project: TVA , Archaeological Assessment, Yellow Creek Port, Pickwick Reservoir, Tishomingo County.

Dear Ms. Bernard Ezzell:

In regard to the above referenced project, the Tribal Historic Preservation Office of the Seminole Tribe of Florida (THPO STOF) has reviewed your letter dated 9 August 2007 and the attached documentation. We concur with the Tennessee Valley Authority recommendations contained in that letter. Also please note that this project is outside the usual area of cultural and historic concern for the STOF but we appreciate the opportunity to comment. We are unaware of any additional cultural resources that exist within or adjacent to the project area that would be impacted by the proposed undertaking. . Thank you for the opportunity to review this correspondence. In any future correspondence about this project please refer to **THPO-000665**.

Respectfully,

Willard S. Steele
Tribal Historic Preservation Officer
Seminole Tribe of Florida
HC 61, Box 21-A
Clewiston, FL 33440
Tel: 863.902.1113

Please direct response to:

Wesley L. Andrews
Reviewing Archaeologist
Seminole Tribe of Florida
HC 61, Box 21-A
Clewiston, FL 33440
Tel: 863.902.1113 ext 12248

Ah- Tah- Thi- Ki Museum, HC-61, Box 21-A, Clewiston, Florida 33440
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PO Box 571, Jackson, MS 39205-0571
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H. T. Holmes, Director

July 7, 2006

Mr. J. Bennett Graham
Manager and Senior Archaeologist
Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, TN 37902-1401

RE: Cultural Resources Survey of proposed expansion of the Yellow Creek Port,
MDAH Project Log #05-201-06, Tishomingo County, Mississippi

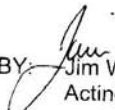
Dear Mr. Graham:

We have reviewed the January 2006 cultural resources survey report by Dr. Jay K. Johnson, archaeologist, for the above referenced undertaking pursuant to our responsibilities under Section 106 of the National Historic Preservation Act and 36 CFR Part 800. After reviewing the information provided, which we received on May 31, 2006, we concur that (a) disposal of Tract XNER-11E, Parcel 1 will have no effect on historic properties, that (b) no historic properties will be affected in Area B of the YCIP, and that (c) additional testing will need to be performed to determine the eligibility of sites 22Ts1529 and 22Ts1530. We have no reservations with the project as a whole, however.

As always, there remains the possibility that unrecorded cultural resources may be encountered during the project. Should this occur, we would appreciate your contacting this office immediately in order that we may offer appropriate comments under 36 CFR 800.13. If you need further information, please let us know.

Sincerely,

H.T. Holmes
State Historic Preservation Officer

BY:  Jim Woodrick
Acting Review and Compliance Officer

cc: Clearinghouse for Federal Programs

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